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SUBJECT: EU Energy Green Paper - Dutch Views

Ref: Brussels 873

¶1. (U) Dutch officials are generally pleased with the main points of the energy green paper released by the Commission on March 8 and discussed by EU energy ministers on March 14. On the paper's call for a common EU energy policy, officials in both the Economics Ministry (which has the lead on energy policy) and the foreign ministry were supportive. As a smaller member state, the Dutch are not as jealous of their foreign policy prerogatives at the national level as are some of the larger EU countries and thus less concerned about possible Commission encroachment. Moreover, the Dutch believe that Europe can be much more effective when speaking on energy with one voice, particularly as concerns relations with key suppliers, such as Russia or OPEC.

¶2. (SBU) As a near-term practical matter, the Dutch see the Commission's endorsement of a more unified EU energy policy as giving a boost to their planned energy security conference, which is to be held in The Hague either April 19-21 or May 17-19 (dates still TBD) and which will be co-sponsored by the USG. The Dutch have planned the conference as a means of furthering the transatlantic dialogue on the political implications of energy security. The invitation-only conference will feature presentations by top-level public and private sector leaders; its discussions are intended to be part of the preparatory process for the U.S.-EU summit in June. At a March 15 meeting with Ambassador Arnall, MFA Director General for European Integration Marnix Krop suggested that the Dutch-U.S. conference could produce deliverables for the U.S.-EU summit which could then be fed into G-8 discussions on the same subject.

¶3. (U) On the other priority areas of the green paper, the Dutch strongly support the paper's proposal to complete and strengthen the internal EU market; they believe that improved internal competition will lead to both more efficient and more resilient energy production and distribution systems. The Dutch are against the 'national champions' approach favored by some EU countries in opposition to cross-border acquisitions in recent weeks, believing that consolidation in the European energy sector, if genuinely market-driven, will lead to stronger companies better able to function effectively in turbulent conditions.

¶4. (U) Sustainable energy development and action to counter climate change are both long-time Dutch interests -- not surprisingly for a country with 30 percent of its territory below sea level, on which is generated some 70 percent of its GDP. So, too, is the paper's push for innovation in

energy technologies. One area in which Dutch preferences may be somewhat out of sync with the Commission's is that of diversifying the energy supply mix, where the Dutch think that action at a regional level among neighboring countries (as opposed to purely member state or EU-wide) would be most efficient and appropriate. A second such reservation lies in the Commission's call for greater solidarity among member states in cases of supply disruptions; the Dutch do not want their natural gas fields to be regarded as a cost-free insurance policy for other member states and would expect that any additional tapping of such fields in an emergency would be done at then-prevailing, emergency-driven market rates.

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